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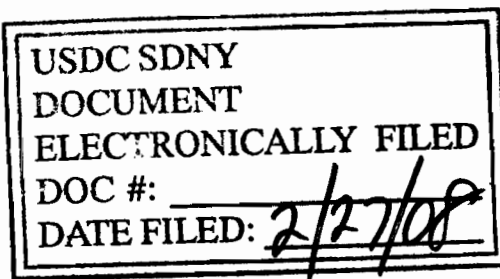
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MEMO ENDORSED

February 25, 2008

Via Facsimile – (212) 805-0436

Hon. Gerard E. Lynch
United States District Judge
United States Courthouse
500 Pearl St., Room 910
New York, NY 10007



**Re: Copenship A/S v. Defendant S.R.L.
Docket No. 07 Civ. 8068 (GEL)
United States District Court, Southern District of New York**

Dear Hon. Judge Lynch:

We represent the Plaintiff, Copenship A/S, in the above referenced lawsuit. We refer to your Honor's Order dated February 21, 2008 ordering that unless the parties take some action to advance or resolve the case by February 29, 2008, Plaintiff's attachment will be vacated and the case dismissed for failure to prosecute.

We apologize for the delay which has ensued since November 20, 2007 in providing the court with a proposed order in this matter. As your Honor states in the Order, it was the intention of both parties to post full security for their respective claims which would permit this action to be dismissed. On December 6, 2007 we advised Defendant's counsel that Plaintiff was prepared to put up full security for Defendant's principal counterclaim provided that (1) Defendant will put up full security for Plaintiff's claim and (2) Defendant will reduce its claim for estimated attorneys' fees and expenses which the arbitrators are likely to award in the arbitration to the same amount sought by Plaintiff in its Rule B Complaint, i.e. Euro 6,000 or \$8,297.70 so as to place both parties on an even footing. A copy of Plaintiff's proposal dated December 6, 2007 is annexed as Exhibit A. However, it was only on January 17, 2008 that Defendant's counsel advised us that his client had rejected Plaintiff's offer and instead would like Plaintiff to stipulate to put up countersecurity in the same amount as it has succeeded in attaching of Defendant's assets, i.e. \$2,975. On January 29, 2008 we advised Defendant's counsel that Plaintiff had authorized us to offer Defendant counter-security by way of a Protection and Indemnity ("P&I") Club Letter of Undertaking ("LOU") in the amount of \$2,975. We also provided Defendant's counsel with a specimen P&I Club LOU for his client's approval. Defendant has now approved the P&I Club LOU, a draft copy of which is annexed as Exhibit B.

We are presently waiting for Plaintiff's P&I Club to execute the LOU and will provide Defendant's counsel with same as soon as it is received.

In the circumstances, we respectfully request that your Honor grant Plaintiff one additional week to and including March 7, 2008 to provide Defendant with the executed LOU and for the parties to provide the Court with a stipulation and order to stay the action and place it on the Court's suspense docket pending the outcome of Defendant's appeal of the French arbitration award.] *

We appreciate your Honor's consideration of the foregoing. We are available to discuss the matter at any time convenient to the Court.

Respectfully submitted,

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Attn.: Michael O. Hardison, Esq.

* SO ORDERED
Gerard E. Lynch

GERARD E. LYNCH, U.S.D.J.
2/27/08